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SUBJECT: UNDEF ADVISORY BOARD MEETING

¶1. (U) On December 14, 2007, the Advisory Board of the United Nations Democracy Fund held its sixth meeting. The Advisory Board heard a briefing on the response to and modalities for the second round, discussed the proposed evaluation strategy, the preliminary calendar for 2007-2008, the administrative expenditures of UNDEF and the proposed conference in Benin.

¶2. (U) The Alternate Chair, Professor Michael Doyle, led the meeting. He announced that UNDEF has received 64 million USD from 32 member states since its inception and noted new contributions by Italy, Latvia, Romania and Turkey. He also acknowledged new contributions by the Czech Republic and Sweden.

¶3. (U) Roland Rich, Executive Director, gave a brief update on the first round projects. He stated that grantees are submitting reports as required. Rich explained that a project of a Bangladeshi NGO was suspended due to the results of an audit of a bilateral aid project and UNDEF is currently awaiting the results of a second audit carried out by the Netherlands. Also, a Moscow Bureau for Human Rights project is being redesigned due to timing issues, but will go forward. In both cases, no funds were expended.

The Second Round

¶4. (U) Rich noted that the application window was opened for second round projects on November 15, but that slightly less than 200 proposals were received. He explained that last year the majority of project applications were received in the last 24 hours and that UNDEF staff is in contact with approximately 100 NGOs who intend to apply. Rich also noted that there has been a change in the types of applications received- so far only 3% have come from UN agencies, which reflects UNDEF's intention to work with non-UN groups. Due to the low number of applications, UNDEF decided to extend the application deadline until December 31 and is hoping for over 500 applications. While France welcomed the extension, Germany felt that UNDEF should stick to its deadline next year.

¶5. (U) A representative from the PCG spoke of the new streamlined role of the PCG in the second round, based on lessons learned from the first round. He also expressed his belief that the reduced number of UN agencies applying for UNDEF funding is likely a result of the PCG's strict adherence to giving low priority to projects that looked like additional UN projects.⁸ France welcomed the PCG's presence in the meeting and expressed their desire for a more active role of the PCG in project selection. Hungary also expressed support for the PCG's role.

¶6. (U) Several delegates addressed the issue of project distribution. India noted that in the new project guidelines, the ratio of country to regional projects changed from 80:20 to 70:30. India expressed a preference that the ratio remain at 80:20, since UNDEF's goal is to work with

civil society NGOs at the national level. Ambassador Ron Godard, Senior Area Advisor, speaking for the United States, also recalled the goal of 75% of the grants going to civil society. Japan called for an increase in projects funded in Asia, although Rich noted that fewer applications were received from the Asian region.

Evaluation Strategy

¶17. (U) Rich gave an explanation of UNDEF's evaluation strategy. India expressed concern regarding the evaluation strategy, particularly the retention of 10% of funds for monitoring and evaluation. The delegate said that if UNDEF expends 25 million USD, they would have 2.5 million for monitoring and evaluation, which he viewed as excessive. Rich clarified that there was a ceiling of 25,000 USD per project held back for evaluation. He also noted that in the first round, 10 percent of the money was set aside by grantees for evaluation, so UNDEF is only retaining money already earmarked for evaluation. Rich explained that the evaluation system is evolving and in some cases, a micro-evaluation will be done, in other cases, it will be useful to carry out evaluations of clusters of projects in a comparative way. Responding to Ambassador Godard's question about how evaluators would be chosen, Rich stated that evaluators would be chosen through a tender process that will require significant experience in democracy promotion. He noted that he is hoping to include some first round project evaluations in the evaluations done with second round funds.

¶18. Japan asked whether a threshold of expenditure could be created and projects over that threshold would require third party evaluators. India also stated that very small projects would not require third party evaluators. Rich agreed that small projects on their own should not need third party

evaluations but it may be useful to evaluate clusters of small projects, so he did not support the monetary cutoff. He clarified that every project will need to submit a report and that every project must have an audit. The evaluations would help answer the question of what UNDEF does best and would help define UNDEF's niche. CIVICUS, representing civil society, expressed support for the evaluation strategy, but highlighted the importance of informing grantees of the results of the process so they could also benefit from lessons learned.

Timetable

¶19. Ambassador Godard expressed the US desire for a more accelerated calendar, noting the extended period between the advisory board's review of the short list and the first disbursement. Germany agreed. Rich explained that this year when the Secretary General decides which projects will be funded, the winners would not be announced, as this gave recipients a sense of entitlement and made negotiations on the project document more difficult. He also stated that project documents will be done in batches and as they are completed, projects will go to the comptroller to make the payment. He stated that his best guess is that the first group of payments will be made in June, but would be pleased if they could be made sooner.

¶10. Regarding the donor meeting, Rich outlined UNDEF's plans for a large meeting with perspective donors, skeptical states, interested parties and others, in which people from the field would come to talk about their projects and information would be provided to participants in paper and electronic form. Ambassador Godard suggested that, in addition to an open door meeting, a separate meeting for donors should be held, particularly for those donors not on the advisory board. Rich suggested providing donors with specific documentation rather than a separate meeting. However, France and India agreed with the US view that donors should be given special recognition.

Administrative Budget

¶9. (U) Rich provided the Board with the administrative budget for the previous 22 months. He noted that when the 2007 books were closed, he would provide the board with the yearly budget.

Benin Conference

¶10. (U) Benin once again outlined its conference proposal. The delegate noted that it would be too bad if the fund had a skewed view of its mandate⁸ and stated that, while the Fund should abide by financial rules, the rules should not tie its hands in achieving the mission of democracy promotion.

¶11. (U) Ambassador Godard stated that, while Benin made an eloquent case for the value of the conference, the conference would be more appropriately funded by other venues. The representative of CIVICUS stated that financing the proposal with UNDEF funds would create a worrisome precedent and noted that the funds are for projects submitted through specific procedures.

¶12. (U) Unlike at the meeting at the expert level, many Advisory Board members were supportive of the conference proposal. Australia commented that UNDEF received widespread recognition at the Community of Democracies meeting in Bamako and the Benin conference could be a "useful tool to build momentum.⁸ He suggested that NGOs from Benin bid for the funds and that other bodies could also contribute. Germany, France, Hungary and Japan suggested that the Institute for Human Rights in Benin submit a project proposal to be reviewed under the normal procedures. France also noted that UNDEF could also provide expertise and members of the advisory board could commit to participate. Japan also suggested that Benin submit a proposal through UNDEF procedures and complimented Benin's plan to share 10 percent of the conference cost. The Japanese delegate expressed concern that the conference exceeds the maximum possible financing of 500,000 USD. The Indian delegate argued that it was for this type of project that India donated 10 million USD and has pledged 10 million more. He agreed with Benin that conference participation would increase if UNDEF hosted, rather than an NGO and pushed the committee to find a way to help Benin.

¶13. (U) Michael Doyle noted that UNDEF normally supports projects on the ground, but it was not a hard and fast rule.⁸ He cautioned that there was a danger of the appearance of giving funds to members of the board. He also

suggested that if the Benin proposal made it through the first round, UNDEF could lend the conference its logo and assistance, including advice on how to search for other funding. Doyle also stated that this should be regarded as a special occasion and that UNDEF sponsorship should not be lent to other projects without a decision by the advisory board. It was agreed by the Board that, through the NGO from Benin, a proposal could be submitted and would then go through the normal application procedures to apply for funding.

¶14. (U) Comment: USUN recommends that the Department reinforce with UNDEF Executive Director Roland Rich the U.S. position on the Benin conference. UNDEF sponsorship should be limited to technical assistance and not funding. If Benin NGO does apply for funding, the project should be evaluated following UNDEF's normal application procedures and should fall under the UNDEF threshold of 500,000 USD. End Comment
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